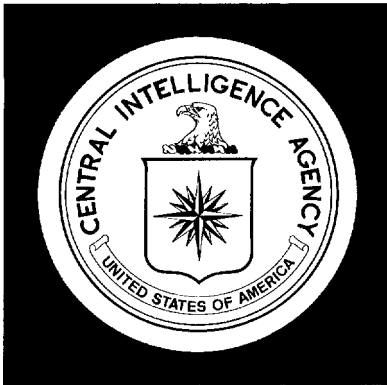


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Central Intelligence Bulletin

Top Secret

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15 November 1973



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25X1

15 November 1973

Central Intelligence Bulletin

CONTENTS

ARAB STATES - ISRAEL: Prisoner-of-war exchange starts today. (Page 1)

25X1

CAMBODIA: Khmer Communists tightening hold over Phnom Penh's overland supply lines. (Page 9)

CHINA: Disputes among top leaders seem to have intensified in recent weeks. (Page 10)

GOLD: Termination of two-tier gold system forces gold price down. (Page 11)

25X1

WEST GERMANY - EASTERN EUROPE: Last-minute obstacles to diplomatic relations. (Page 13)

SOUTH KOREA: Student demonstrations against government persist. (Page 14)

SYRIA: Intense efforts under way to restore electric power capacity. (Page 15)

25X1

25X1

ARAB STATES - ISRAEL: Egyptian and Israeli representatives agreed yesterday in a meeting at Kilometer 101 that implementation of four items of the six-point cease-fire accord of 11 November would get under way today.

One provision of the arrangement called for the exchange of prisoners of war under the supervision of the International Red Cross. Planes began making direct flights between Egypt and Israel this morning repatriating the prisoners. The exchange is to be completed within eight days.

The two sides also agreed that Israel would turn over the checkpoints at Kilometers 101 and 119 to the United Nations Emergency Force (UNEF) this morning (see map facing page 5). This element of the agreement could still cause trouble, however. Tel Aviv interprets the arrangement as providing for Israeli control of the Cairo-Suez road between the two checkpoints; a UN press spokesman in Cairo, however, said the Israelis should now "leave the task of controlling the road to the UNEF." The UN spokesman said it would be up to the local UNEF commander to decide whether additional UN checkpoints should be set up on the road.

The Egyptian-Israeli accord also provides for the supply of nonmilitary goods to the Egyptian Third Army on the east bank of the canal, and the daily provisioning of food and water to Suez city. The evacuation of wounded from the Third Army and Suez city is to begin Friday. According to press reports, Egyptian and Israeli representatives will meet again sometime next week.

The Israeli press on 14 November said that Tel Aviv may be preparing in the near future to test the blockade of the Bab al-Mandab, the southern entrance to the Red Sea. Eleven Israeli ships from the Far East are said to be en route to Elat, where another 13 ships are reportedly ready to sail. Yesterday, an Israeli military source told the US Defense Attaché in Tel Aviv that although the timing had not

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been set for any test. "everyone" agreed there must be one.

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Minor cease-fire violations were reported on both fronts yesterday.

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There were several exchanges of fire, including artillery, yesterday on the Syrian front west of Sasa. Radio Jerusalem charged Damascus with violations of the cease-fire agreement in this area. The Syrians apparently pushed a salient into Israeli lines west of Sasa last week, and Israel has been making attempts to reduce it. There were no reports of aircraft activity over the Syrian front.

An Arab summit conference will be held in Algiers, according to an Arab League spokesman. The date of the meeting remains uncertain, with press mentioning both 26 and 28 November. Prior to the meeting of the heads of state, Arab foreign ministers will meet in Algiers or Cairo on 24 November. According to Al Ahram, the foreign ministers will prepare an agenda for the summit session, as well as review the war effort, the use of oil, relations with other countries based on their attitude toward the Arab cause during the conflict, and Arab economic and propaganda activities.

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15 Nov 73

Central Intelligence Bulletin

2

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25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

Reacting to charges in the Knesset and the press about Tel Aviv's lack of preparedness in the face of the Egyptian-Syrian attack, Defense Minister Dayan told army officers on the Syrian front last night that "until the morning of the Day of Atonement, I did not think there would be war, nor was anyone else of this opinion."

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Yesterday's Soviet press continued to play down US diplomatic efforts in the Middle East and to stress the ongoing need for a Soviet Middle East role. Soviet newspapers did this by juxtaposing articles stressing the tenuous nature of the Egyptian-Israeli agreement with a report of Secretary Kissinger's Peking press conference which emphasized the Secretary's remarks supporting detente. In addition, Radio Moscow took note of Israeli Prime Minister Meir's speech to the Knesset on 13 November by saying the speech confirmed Tel Aviv's intention to obstruct implementation of the six-point accord.

Radio Moscow on 13 November praised King Faysal's congratulatory telegram on the anniversary of the Soviet revolution. It noted that the message was a first from the Saudi monarch and hoped it would "serve the cause of consolidating Arab-Soviet relations." The Saudi gesture probably was intended as a jibe at the US. Although Moscow probably realizes this, it would like to establish diplomatic ties with Riyadh.

Political directors of the EC countries have been working on a proposed joint demarche to the Arabs. According to a senior West German official, their effort is the result of the increasing irritation of some of the EC member states with Arab behavior. The demarche is intended as a follow-up to the EC's Middle East declaration of 6 November and will probably ask for clarification of "contradictions"

15 Nov 73

Central Intelligence Bulletin

3

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

(in Arab policies toward the Europeans. Drafting is said to have been extremely difficult. Presumably, Paris and London are still seeking to maintain a relatively friendly tone, while some other governments may be asking why the declaration of 6 November has not resulted in the easing of the Arab oil squeeze.

There were no significant changes yesterday in the disposition of the major Soviet naval units in the Mediterranean.

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15 Nov 73

Central Intelligence Bulletin

4

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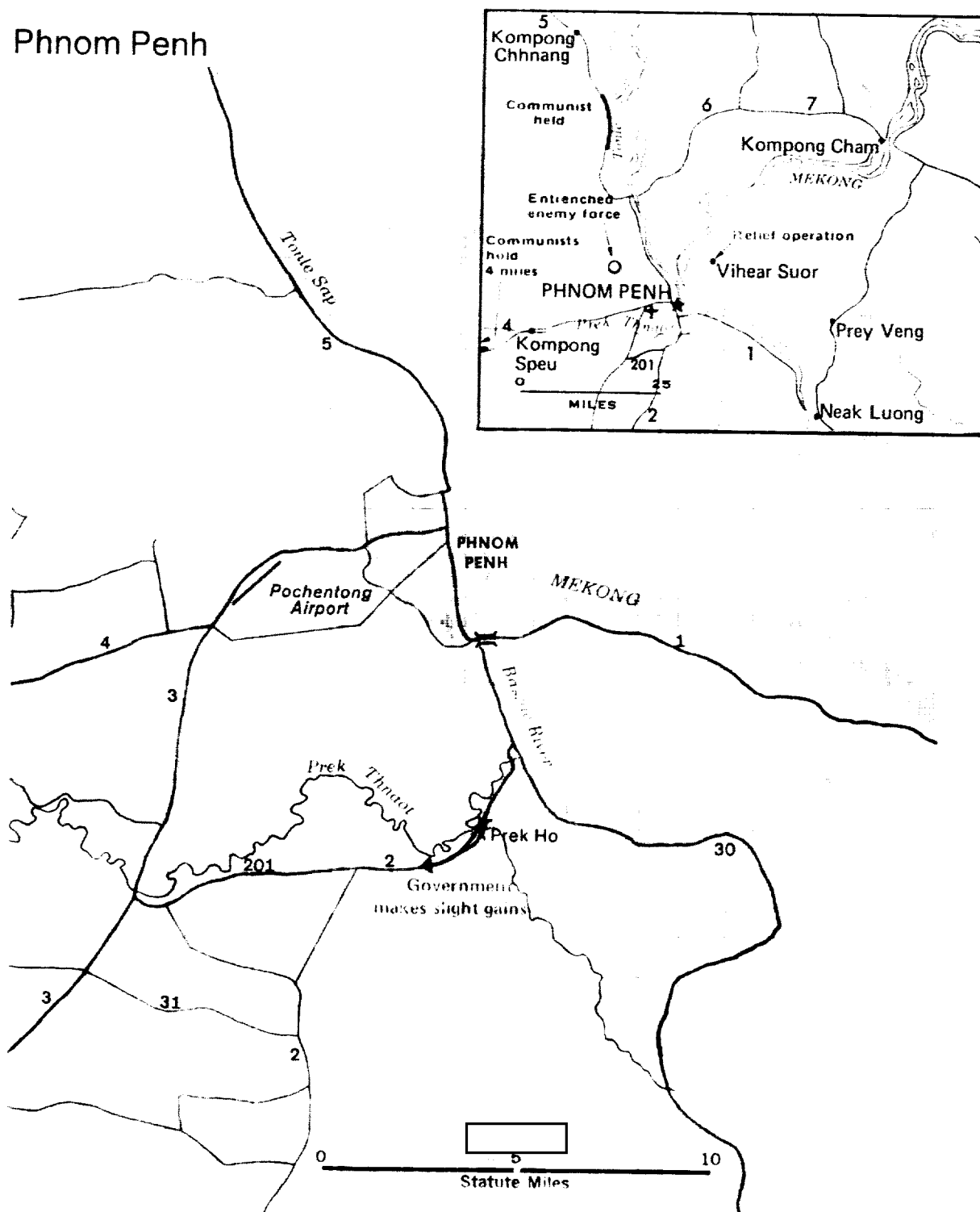
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Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0



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CAMBODIA: The Khmer Communists are tightening their hold over Phnom Penh's overland supply lines.

Communist units early this week struck at lightly defended government outposts along Route 4 west of Kompong Speu and now control a four-mile section of the highway in this area.

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In the Phnom Penh area, government forces recently made some slight progress in regaining territory along Route 2 and the Prek Thnaot River on the capital's southern front. The major Communist units in this sector, the 152nd and 267th regiments, have apparently withdrawn temporarily for rest and refitting. The ranks of both regiments have been thinned over the past two months by illness and by battlefield casualties. On the city's northwestern front, other government units are having little success in dislodging well-entrenched Communist elements within ten miles of Phnom Penh's airport. Ten miles northeast of the capital, approximately 1,300 Cambodian Army troops are involved in a fresh drive to relieve Vihear Suor, a long-isolated market town.

25X1

15 Nov 73

Central Intelligence Bulletin

9

25X1

CHINA: Policy disputes have intensified in recent weeks, and a major political campaign seems to be developing.

Educational policy is again coming under fire as it did last summer in the weeks before the party congress. This time, secondary school students are demanding the right to copy from each other on tests, and these demands have reportedly spread to China's most prestigious university. Teachers and students are divided over the issue, which is apparently still being hotly debated. Moreover, factory workers in one province have been urged to criticize their bosses, while party officials in another province have called for strict obedience from the trade unions.

A new political campaign that is now gathering momentum could have implications for one or more of China's leaders. The ancient sage Confucius is being attacked for a number of crimes that clearly have current relevance, and it seems likely that the drive is intended to discredit--and possibly purge--some one in the current leadership. Both Chou En-lai and Mao's wife Chiang Ching may somehow be involved, but the target is difficult to identify. The party's theoretical journal this month seemed to lay the groundwork for a major political campaign. The journal called on party members to unite for a common objective and to speak out against those who still hold grudges, possibly a reference to unbending radicals such as Chiang Ching.

Controversy has apparently developed over appointments to high-level government positions in advance of the National People's Congress, the rubberstamp legislature which would ratify these appointments.

These and other issues could conceivably force a postponement of the National People's Congress, apparently slated for later this month.

15 Nov 73

Central Intelligence Bulletin

10

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

GOLD: News of the agreement reached on 13 November by the US, Belgium, West Germany, Britain, the Netherlands, Italy, and Switzerland that major central banks will be free to sell and buy gold on the open market forced the price of gold in London down to \$90 an ounce yesterday from \$96.90 on Tuesday. The dollar declined slightly against most major currencies yesterday, with profit taking overriding developments in the gold markets.

The termination of the two-tier gold system appears to have caught the French by surprise. Finance Minister Giscard d'Estaing apparently is interpreting the event as a US attempt to force the demonetization of gold. Other European officials doubt that the termination of the pact will lead to central bank sales in the near future. It probably will, however, hasten gold settlements among central banks--especially within the European Community--at or near the free market price of gold.

25X1

15 Nov 73

Central Intelligence Bulletin

11

Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

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25X1

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WEST GERMANY - EASTERN EUROPE: Last-minute objections raised by Czechoslovakia have clouded prospects for early signature of the so-called "reconciliation" treaty between Bonn and Prague and the establishment of diplomatic relations.

Agreement appeared to be imminent late last week after the Czechoslovaks agreed in principle to a West German compromise proposal for handling legal affairs of West Berlin institutions. The US Embassy in Bonn reports, however, that after further consideration the Czechs told the West German Foreign Office on 11 November that the plan was unacceptable.

The compromise called for direct court-to-court dealings on West German as well as West Berlin legal matters. This was a marked retreat from Bonn's insistence this summer that its embassies in Eastern Europe act as intermediaries. Foreign Minister Scheel officially floated the scheme in Moscow before it was presented to Prague; the Soviet response, while equivocal, left Bonn optimistic.

The Czechoslovaks explained their about-face by claiming that Bonn had deviated from the Moscow formula by requiring Prague, through an exchange of letters, to give its specific rather than tacit assent. Prague suggested postponing the issue until diplomatic ties were established, but Bonn rejected this suggestion for fear of losing leverage on securing equal treatment for West Berlin.

The next move is up to Bonn, and its intentions are not clear. The Brandt coalition would like to normalize relations with Czechoslovakia quickly and push on to complete the framework of Ostpolitik by establishing relations with Bulgaria and Hungary. There are conflicting signs, however, over the importance Bonn attaches to securing equal treatment for West Berlin in legal matters. Bonn has the option of seeking a new compromise, or waiting until Brandt makes another effort to resolve the issue during his visit to Moscow early next year. [REDACTED]

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15 Nov 73

Central Intelligence Bulletin

13

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025600070001-0

SOUTH KOREA: Student demonstrations against the Pak regime that began in early October have persisted and now include all major universities and a number of other schools. Although most of the demonstrations have been on a small scale and confined to the campuses, the protests reveal a degree of student organization, activism, and unrest that has not been evident for two years.

Thus far the security apparatus has reacted with minimal force to student demands for restoration of democratic rule, elimination of the South Korean CIA, and release of students arrested during the demonstrations. Selected student leaders continue to be arrested, but many are released after questioning and a short detention. The government's moderate approach, which has recently even permitted considerable press and radio reporting, has been prompted in part by the approach of the UN debate on the Korean question and Seoul's need for extensive foreign support. Government officials are also increasingly aware of wider public concern about the government's authoritarian methods, most recently reflected in the kidnaping of opposition leader Kim Tae-chung and the "suicide" of a university professor while under interrogation by the South Korean CIA. Considerable sympathy for the students exists among Korean intellectuals and in Christian organizations.

The government appears intent on riding out the current protests without undue use of force and is confident that it can control the situation. The winter school vacation in early December will provide a convenient cooling-off period, and the government may even dismiss the students early. If no steps are taken to ameliorate the increasingly tense situation in Seoul, however, student agitation probably will resume in the spring.

SYRIA: Intense efforts are under way to re-store Syria's electric power capacity, roughly half of which was knocked out by Israeli air strikes. Priority has apparently been assigned to repairing the Czech-built powerplant at Qattinah, the country's largest power facility. This plant serves the important areas of Hims and Damascus. Czech specialists have arrived at Qattinah in response to Syrian appeals, and Damascus claims that the plant will be functioning by about 18 November, although probably at partial capacity.

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NATIONAL INTELLIGENCE ESTIMATES

The United States Intelligence Board has approved the following national intelligence estimates:

1 November 1973	NIE 85-73	Cuba and Its Latin American Relationship
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8 November 1973	Memorandum for Holders of NIE 53/14.3-73	Short-Term Prospects for Vietnam
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